

**PARUL UNIVERSITY**  
**FACULTY OF COMMERCE**  
**B.Com Winter 2019 – 20 Examination**

**Semester: 4**  
**Subject Code: 16100254**  
**Subject Name: International Economics**

**Date: 26/11/2019**  
**Time: 02:00pm to 04:30pm**  
**Total Marks: 60**

**Instructions:**

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

**Q.1 Do as directed.****A) Multiple choice type questions. (Each of one mark)****(06)**

1. All are advantages of foreign trade EXCEPT:
 

a) People get foreign exchange	b) Nations compete
c) Cheaper goods	d) Optimum utilization of country's resources
2. A tariff is:
 

a) A restriction on the number of export firms	b) Limit on the amount of imported goods
c) (a) and (b) of above	d) Tax and imports
3. Net exports equal:
 

a) Exports x Imports	b) Exports + Imports
c) Exports - Imports	d) Exports services only
4. Foreign trade creates among countries:
 

a) Conflicts	b) Cooperation
c) Hatred	d) none of above
5. Which is NOT an advantage of international trade
 

a) Export of surplus production	b) Import of defense material
c) Dependence on foreign countries	d) Availability of cheap raw materials
6. Which of the following is international trade
 

a) Trade between provinces	b) Trade between regions
c) Trade between countries	d) (b) and (c) of above

**B) Definitions / One-liners / Terms. (Each of one mark)****(06)**

1. Disequilibrium
2. Terms of trade
3. Samuelson Theorem
4. Export Subsidies
5. Balance of Payments
6. Exchange Rate

**Q.2 Numerical / Short Note Questions. (Each of 04 mark)****(12)**

1. Explain fixed exchange rate with example.
2. Domestic Trade Vs. International Trade in brief
3. What is free trade policy?

**Q.3 Answer the following. (Any Three)****(18)**

1. Explain inflow and outflow of foreign capital in detail.
2. Explain Scope of International Economics in detail
3. Explain Advantages of Foreign market in detail.
4. Write a note on functions of WTO

**Q.4 Answer the following. (Any two)****(18)**

1. What is IMF? Explain its Objectives detail.
2. Explain Purchasing power parity in detail with example
3. What is GATT? Explain its function in detail.